

U.S. SMALL BUSINESS ADMINISTRATION

Office of Business Development

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Report To The U.S. Congress

On

Minority Small Business and Capital Ownership Development

Fiscal Year 2002

As Required By

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Submitted By

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Ethnicity Abbreviations

AP	Asian Pacific American
BA	Black American
CA	Caucasian American
HA	Hispanic American
NA	Native American
NH	Native Hawaiian
OA	Other American
SA	Subcontinent Asian American

EXECUTIVE SUMMARY

This is the report on the U.S. Small Business Administration's (SBA) 8(a) Business Development Program as required by the Business Opportunity Development Reform Act of 1988 [15 U.S.C. 636(j)16(A) & (B)]. The purpose of this review is to determine and quantify the extent to which the 8(a) program has assisted in the development of firms owned and controlled by socially and economically disadvantaged individuals. The Act requires the SBA to analyze the accomplishments of businesses certified to participate in the 8(a) program during the immediately preceding fiscal year and the status of the business concerns that completed their 8(a) program term during the immediately preceding three fiscal years. These findings are summarized in this report.

Fiscal year 2002 marked the 34th year of the SBA's 8(a) Business Development Program. During fiscal year 2002, a total of 7,585 businesses participated in the 8(a) program. These firms made significant contributions to the Federal, state and local tax base and created an estimated 171,524 jobs in the Nation's economy. Between October 1, 2001, and September 30, 2002, a total of 1,252 new firms were certified to participate in the program.

During fiscal year 2002, \$5.6 billion in new contract awards, modifications and small purchase orders were awarded under the 8(a) program to 8(a) program participants and 8(a) program graduates, of which, \$3.2 billion of new contracts and modifications were awarded to active 8(a) program participants. There were 28,813 contract actions excluding small purchase orders. The five largest areas of contracting activity were Commercial and Institutional Building Construction (NAICS Code 233320), Other Computer Related Services (NAICS Code 541519), Computer Systems Design Services (NAICS Code 541512), Facilities Support Services (NAICS Code 561210) and Research and Development in the Physical Engineering and Life Sciences (NAICS Code 541710).

Year-end financial statements submitted by the 7,585 firms participating in the program authorized by 15 U.S.C. 637(a) during fiscal year 2002 reported total revenues exceeding \$14.9 billion. Revenue that resulted from the program authorized by 15 U.S.C. 637(a) was \$4.4 billion or 29.4 percent of firms' total revenue.

In order to assess the current business status of firms that graduated from the 8(a) program in the past 3 years, SBA surveyed 1,093 firms that completed their 8(a) program terms between October 1, 1999, and September 30, 2002. Of the 1,093 firms surveyed: 628, or 57.5 percent, were independently operational; 11, or 1 percent, had substantially curtailed operations; 10, or 1 percent, had been acquired by other firms owned and controlled by non-disadvantaged individuals; 54, or 5 percent, had ceased business operations; and 390, or 35.7 percent, failed to respond to SBA's survey. Given that firms exiting the program generally have been in business at least 11 years, and in many cases more than 20 years, a 5 percent rate of business cessation is normal. Many of the owners are voluntarily ceasing operations, and are not being forced out of business.

The total annual revenue of graduated firms that responded to the survey and reported earnings was more than \$8.8 billion dollars. The average annual revenue for these firms was approximately \$10 million, and they provided employment for approximately 8,914 persons.

PROGRAM INITIATIVES

- 1. Mission:** The mission of SBA's 8(a) program is to assist in the business development and economic stability of small businesses owned and controlled by socially and economically disadvantaged individuals, economically disadvantaged Indian tribes (including Alaska Native Corporations), economically disadvantaged Native Hawaiian Organizations and Community Development Corporations. The 8(a) program fulfills this mission by providing a menu of business development resources, such as marketing, managerial, technical, financial and procurement assistance.
- 2. Business Development:** The 8(a) program promotes competitive development over a 9-year period. Each participant's progress is monitored and measured, and its developmental needs are identified through annual reviews of its business plan. Guidance is provided through SCORE, Small Business Development Centers (SBDC), and Business Information Centers (BIC) and Women's Business Centers (WBC). In addition, through award of sole source and limited-competition contracts, the 8(a) program provides a logical, systematic approach to market access and enterprise growth to small businesses owned and controlled by socially and economically disadvantaged individuals.
- 3. Management and Technical Assistance:** Under Section 7(j) of the Small Business Act, the SBA provides specialized training, professional consultant assistance, and high-level executive development to eligible firms. This authority allows the SBA to provide assistance to 8(a) program participants as well as to other small disadvantaged businesses, low-income entrepreneurs, and small businesses in labor-surplus areas or areas with a high proportion of low-income individuals. The services provided by this program have been limited, for the most part, to providing high-level executive development training, through the Executive Education Program, to current 8(a) program participants. However, 8(a) firms also receive assistance through SCORE, SBDCs and the United States Export Assistance Centers (USEAC), as well as the mentor-protégé, surety guarantee, and loan programs.

NET WORTH OF NEWLY CERTIFIED PROGRAM PARTICIPANTS

15 U.S.C. 636(j)(16)(B)(i)

The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worths, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged.

- 1. Total Personal Net Worth:** The personal net worth, for program purposes, is the net value of the remaining assets of an individual, after total liabilities are deducted. During fiscal year 2002, 1,252 firms were initially certified to participate in the 8(a) program. Table I presents data on the personal net worth of the 1,365 individuals who used their eligibility to qualify these 1,252 firms (more than one individual may use his/her social and economic disadvantage status to qualify a single firm). In determining total personal net worth, the equity in the individual's primary residence and business is included. The average personal net worth of these individuals was \$201,654.

Individuals with a personal net worth ranging from less than zero dollars to \$50,000 constituted 17.0 percent of owners controlling firms that were certified; individuals with a personal net worth of \$50,001 to \$100,000 constituted 20.0 percent; and individuals with a personal net worth of \$100,001 to \$150,000 constituted 16.5 percent. Fifty three percent of the individuals owning and controlling firms that were certified had a personal net worth ranging from less than zero dollars to \$150,000. (See Table I)

- 2. Adjusted Personal Net Worth:** The adjusted personal net worth is defined as total personal net worth less the individual's equity in his or her primary residence and the individual's ownership interest in the applicant concern. Please note: the Small Business Act directs the SBA to use adjusted personal net worth, which excludes the net value of the personal residence and the business. For the purpose of determining whether an individual may be considered economically disadvantaged, the average adjusted personal net worth of the individuals owning and controlling the firms initially certified during fiscal year 2002 was \$73,596.

Individuals with an adjusted personal net worth ranging from less than zero dollars to \$50,000 constituted 45.4 percent of owners controlling firms that were certified; individuals with an adjusted personal net worth of \$50,001 to \$100,000 constituted 24.4 percent; and individuals with an adjusted personal net worth of \$100,001 to \$150,000 constituted 14.2 percent. Eighty four percent of the individuals owning and controlling firms that were certified had an adjusted personal net worth ranging from less than zero dollars to \$150,000. (See Table II)

Note: In Tables I and II where the number in the range is zero, no range is stated.

TABLE I
Total Personal Net Worth
(October 1, 2001 through September 30, 2002)
Individual Net Worth (unadjusted) expressed in \$50,000 increments

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$100,000) - (\$50,001)	4	4	0.29
(\$50,000) - (\$1)	11	15	1.10
\$0 - \$0	8	23	1.68
\$1 - \$50,000	209	232	17.00
\$50,001 - \$100,000	273	505	37.00
\$100,001 - \$150,000	225	730	53.48
\$150,001 - \$200,000	172	902	66.08
\$200,001 - \$250,000	164	1066	78.10
\$250,001 - \$300,000	72	1138	83.37
\$300,001 - \$350,000	71	1209	88.57
\$350,001 - \$400,000	29	1238	90.70
\$400,001 - \$450,000	21	1259	92.23
\$450,001 - \$500,000	17	1276	93.48
\$500,001 - \$550,000	18	1294	94.80
\$550,001 - \$600,000	16	1310	95.97
\$600,001 - \$650,000	10	1320	96.70
\$650,001 - \$700,000	3	1323	96.92
\$700,001 - \$750,000	9	1332	97.58
\$750,001 - \$800,000	3	1335	97.80
\$800,001 - \$850,000	2	1337	97.95
\$850,001 - \$900,000	4	1341	98.24
\$900,001 - \$950,000	1	1342	98.32
\$950,001 - \$1,000,000	3	1345	98.53
\$1,000,001 - \$1,050,000	2	1347	98.68
\$1,050,001 - \$1,100,000	2	1349	98.83
\$1,100,001 - \$1,150,000	2	1351	98.97
\$1,200,001 - \$1,250,000	1	1352	99.05
\$1,300,001 - \$1,350,000	1	1353	99.12
\$1,350,001 - \$1,400,000	1	1354	99.19
\$1,400,001 - \$1,450,000	1	1355	99.27
\$1,450,001 - \$1,500,000	1	1356	99.34
\$1,700,001 - \$1,750,000	2	1358	99.49
\$1,850,001 - \$1,900,000	2	1360	99.63
\$1,900,001 - \$1,950,000	1	1361	99.71
\$1,950,001 - \$2,000,000	1	1362	99.78
\$2,150,001 - \$2,200,000	1	1363	99.85
\$4,350,001 - \$4,400,000	1	1364	99.93
\$9,350,001 - \$9,400,000	1	1365	100.00
Range of Personal Net Worth		(\$89,100) - \$9,360,705	
Median Personal Net Worth		\$133,783	
Average Personal Net Worth		\$201,654	

TABLE II
Total Adjusted Personal Net Worth
(October 1, 2001 through September 30, 2002)
Individual Net Worth (adjusted) expressed in \$50,000 increments.

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$450,000) - (\$400,001)	1	1	0.07
(\$300,000) - (\$250,001)	1	2	0.15
(\$250,000) - (\$200,001)	1	3	0.22
(\$200,000) - (\$150,001)	1	4	0.29
(\$150,000) - (\$100,001)	2	6	0.44
(\$100,000) - (\$50,001)	11	17	1.25
(\$50,000) - (\$1)	62	79	5.79
\$0 - \$0	21	100	7.33
\$1 - \$50,000	520	620	45.42
\$50,001 - \$100,000	333	953	69.82
\$100,001 - \$150,000	194	1147	84.03
\$150,001 - \$200,000	136	1283	93.99
\$200,001 - \$250,000	82	1365	100.00
Range of Personal Net Worth		(\$439,900) - \$249,492	
Median Personal Net Worth		\$56,373	
Average Personal Net Worth		\$73,596	

BENEFITS AND COSTS OF THE 8(a) PROGRAM TO THE ECONOMY

15 U.S.C. 636(j)(16)(B)(ii)

A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a).

During fiscal year 2002, a total of 7,585 concerns participated in the 8(a) program. This figure includes all firms that entered and exited the program throughout the year. Field offices reported that these firms provided employment for more than 171,524 persons.

According to year-end financial statements submitted by participants in the program during the fiscal year ending September 30, 2002, total revenue exceeded \$14.9 billion. Total revenue for the program authorized by 15 U.S.C. 637(a) was approximately \$4.4 billion, or 29.4 percent, of firms' total revenue. The balance of revenue for program participants, almost 70 percent, was earned from non-program sources. This is consistent with congressional intent to have participants rely on non-program sources of revenue in order to enhance post program viability.

1. Benefits to the Economy and the Government

The most direct measure of benefits to the economy and to the Federal Government is through the market value of goods and services produced and the number and quality of jobs provided. The following are areas in which 8(a) certified businesses are contributing to the gross domestic product, the Nation's tax base, employment, and the individual wealth and well-being of all Americans.

- a. **Long-term Business Development Efforts:** Since the inception of the 8(a) program (1968), there have been more than 570,450 8(a) contract actions, worth approximately \$94.0 billion. While these figures represent a very small percentage of total Federal procurement actions and dollars, they still signal significant success in including targeted businesses in the Federal market.
- b. **Employment:** The 7,585 8(a) firms provided employment for an estimated 171,524 persons during fiscal year 2002, an average of 23 employees per company, whereas the 23.7 million small businesses in America employed an average of only 2 persons per firm.¹ The program is a source of employment in all states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands.

¹ *The State of Small Business: A Report to the President, 1997* (Washington, D.C.: U.S. Government Printing Office, 1998), pp. 25 and 38.

- c. **Longevity of Firms.** While 71 percent of new businesses fail (with 29 percent still in business) within 8 years², 42 percent of 8(a) firms are still independently operational 10 years after they enter the program

² *The State of Small Business: A Report to the President, 1997* (Washington, D.C.: U.S. Government Printing Office, 1998), p. 227.

2. Costs to the Government

The SBA's Office of Business Development (BD), located in the Office of Government Contracting and Business Development, is responsible for the administration of the 8(a) program. The following is a summary of the administrative, financial assistance, and management and technical assistance costs of the 8(a) program during fiscal year 2002³:

a. Program Administrative Costs \$ 40,847,000

Program administrative costs consist of personnel, travel, supplies, training and similar expenses. In fiscal year 2002, the 8(a) Business Development Program had actual costs of \$ 40,847,000, including \$14,083,000 attributable to Headquarters, and \$26,764,000 attributable to Field Operations (district offices). A total of 269 full time equivalent (FTE) positions worked in the program in fiscal year 2002; including 49 FTE's in Headquarters and 220 FTE's in Field Operations.

b. Management and Technical Assistance \$ 4,365,000

Section 7(j) mandates that the SBA obtain and maintain a qualified cadre of individuals and organizations to provide assistance to socially and economically disadvantaged individuals. For fiscal year 2002, Section 7(j) assistance had actual costs of \$4,365,000.

³ Amounts presented in this year's report for FY 2002 differ from amounts presented in last year's report for the following reason. In prior years financial information for the report was gathered from the agency's Actual Costs Reports. This year, the agency is compiling financial information for the report from its Activity Based Cost (ABC) Report. This change has been made to increase consistency with the agency's Budget Request and Performance Plan: Congressional Submission Fiscal Year 2004

c. Advance Payments

\$ 0

Advance payments are non-interest bearing loans made by the SBA to an 8(a) program participant in connection with the performance of a specific 8(a) contract to assist the firm in meeting the financial requirements of performing the contract. Since the Federal Credit Reform Act of 1990 (effective October 1, 1992), no advance payments have been processed or made by the SBA on 8(a) contracts. In 1998, the SBA eliminated the authority to approve advance payments for 8(a) contractors from the 8(a) Program Development program regulations at 13 C.F.R. 124. There have been no new appropriations for this program for the past several years. Consequently, no advance payments have been appropriated for the current fiscal year.

EVALUATION OF FIRMS THAT EXITED THE 8(a) PROGRAM

15 U.S.C. 636(j)(16)(B)(iii)

A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concern.

The SBA conducted a survey of the 1,093 firms that completed their 8(a) program term between October 1, 1999, and September 30, 2002. Of the 1,093 total, 628 were independently operational, 11 had substantially curtailed operations, 10 had been acquired by other firms owned and controlled by non-disadvantaged individuals, 54 had ceased business operations, and 390 did not respond to this survey. (See Table III) The total annual revenue of all exited firms reporting was more than \$8.8 billion. The average revenue per reporting firm was approximately \$10.0 million. Firms exiting over the immediately preceding 3 fiscal years provided employment for approximately 8,914 persons.

During fiscal year 2002, 121 firms were terminated from participation in the 8(a) program. There are numerous reasons for terminations; however, most were terminated due to their failure to comply with basic program reporting requirements. These actions ensured that only firms eligible for the program received program benefits. In addition, companies that cease operations and fail to withdraw voluntarily were terminated. During fiscal year 2002, 68 firms elected to withdraw voluntarily from 8(a) program participation.

The reasons that caused former 8(a) businesses to cease operations, like the reasons that cause any category of business to cease operations, are numerous. The reasons may include: economic conditions; retirement, illness or death of the owner; reduced Federal contracting opportunities; a decision to sell the business or start a new business venture; or the pursuit of other professional interests. When considering the number of former 8(a) companies that have ceased business operations, please note that 71 percent of new businesses fail within 8 years⁴. The statutory language cited above requests detailed information for firms that have existed for each of the three preceding fiscal years. However, this level of detail was not available at the time the report was prepared.

⁴ *The State of Small Business: A Report to the President, 1997* (Washington, D.C.: U.S. Government Printing Office. 1998), p. 227.

TABLE III**Status of 8(a) Participants That Completed Their Program Term**

(October 1, 1999 through September 30, 2002)

Status of Exited Participants	FY 2000	FY 2001	FY 2002	Totals
Terminated From Program	126	145	121	392
Voluntarily Withdrew From Program	67	64	68	199
Graduated (Participated Less Than 9 Years)	2	2	0	4
Totals	195	211	189	

Status of Participants Completing Term	FY 2000	FY 2001	FY 2002	Totals	Percent
Completed 9 Year Program Term	348	389	356	1093	
Independently Operational	206	279	143	628	57.5
Substantially Curtailed Operations	4	4	3	11	1.0
Ceased Business Operations	17	22	15	54	4.9
Acquired by Other Firm	2	5	3	10	.9
Non-Responsive to Survey	119	79	192	390	35.7
Totals	348	389	356	1093	100.0%

COMPILATION OF FISCAL YEAR 2001 PROGRAM PARTICIPANTS

15 U.S.C. 636(j) (16) (B) (iv)

A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 637(a) of this title, and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a) (20) during such year.

The ethnic heritage of the owners of the 7,585 firms participating in the 8(a) program during fiscal year 2002 is as follows: Black American - 2,981 (39.3 percent); Hispanic American - 1,866 (24.6 percent); Asian Pacific American - 920 (12.1 percent); Subcontinent Asian American - 778 (10.2 percent); Native American - 658 (8.7 percent); Native Hawaiian American - 32 (0.04 percent); Caucasian American - 231 (3.1 percent) and Other American - 119 (1.6 percent). Men own 73.7 percent of the firms and 26.3 percent are owned by women. (See Tables IV, V, and VI, and Appendix A.)

Table VI provides ethnic totals of firms participating in the 8(a) program by state and region during fiscal year 2002. States with the largest number of 8(a) certified firms are California (877), Maryland (771), Virginia (767), Texas (520), and Florida (441).

Active participants received approximately \$66.3 million in 7(a) loans guarantees in fiscal year 2002. Advance payments have not been authorized since October 1, 1992. No advance payments were made in fiscal year 2002.

TABLE IV**Ethnic Heritage of 8(a) Participants**

(October 1, 2001 through September 30, 2002)

Ethnicity	Gender	Number of Participants	Percent of Total
Asian Pacific Americans	Female	225	3.0%
	Male	695	9.1%
Total		920	12.1%
Black Americans	Female	749	9.9%
	Male	2,232	29.4%
Total		2,981	39.3%
Caucasian Americans	Female	196	2.6%
	Male	35	0.5%
Total		231	3.1%
Hispanic Americans	Female	449	5.9%
	Male	1,417	18.7%
Total		1,866	24.6%
Native Americans	Female	137	1.8%
	Male	521	6.9%
Total		658	8.7%
Native Hawaiian Americans	Female	12	0.1%
	Male	20	0.3%
Total		32	0.4%
Other Americans	Female	85	1.1%
	Male	34	0.5%
Total		119	1.6%
Subcontinent Asian Americans	Female	144	1.9%
	Male	634	8.3%
Total		778	10.2%
Total All Participants		7,585	100%

TABLE V**Gender of 8(a) Participants**

(October 1, 2001 through September 30, 2002)

Businesses Owned by Females	1,997	26.3%
Businesses Owned by Males	5,588	73.7%
Total Businesses	7,585	100.0%

TABLE VI

Ethnicity and Gender by Region and State

(October 1, 2001 through September 30, 2002)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region I																	
Connecticut	1	0	3	5	0	0	0	5	0	0	0	0	0	0	0	5	19
Maine	0	0	0	0	0	0	0	1	0	2	0	0	0	0	0	1	4
Massachusetts	5	4	3	19	3	1	3	8	0	1	1	0	1	0	1	18	68
New Hampshire	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	2	5
Rhode Island	0	2	2	1	0	0	1	0	0	1	0	0	0	0	0	0	7
Region I Totals	8	7	8	25	3	1	4	14	0	4	1	0	1	0	1	26	103
Region II																	
New Jersey	7	22	18	44	6	2	16	30	0	2	0	0	4	0	18	46	215
New York	8	16	36	80	29	4	13	36	0	2	0	0	6	2	8	41	281
Puerto Rico	0	0	0	0	0	0	21	113	0	0	0	0	0	0	0	0	134
Virgin Islands	0	0	4	8	0	0	0	1	0	0	0	0	0	0	0	0	13
Region II Totals	15	38	58	132	35	6	50	180	0	4	0	0	10	2	26	87	643
Region III																	
Delaware	0	0	1	6	1	0	0	1	0	0	0	0	0	0	0	2	11
District of Columbia	3	4	36	97	0	1	7	13	2	1	0	0	2	0	2	11	179
Maryland	20	92	122	295	8	0	23	66	4	10	0	0	16	3	23	89	771
Pennsylvania	4	8	19	56	2	1	7	16	1	1	0	0	5	0	3	25	148
Virginia	33	97	86	207	4	0	43	100	17	19	2	0	13	5	27	114	767
West Virginia	1	1	0	6	1	0	0	4	0	2	0	0	1	1	1	5	23
Region III Totals	61	202	264	667	16	2	80	200	24	33	2	0	37	9	56	246	1899
Region IV																	
Alabama	5	4	17	48	8	0	6	9	12	19	0	0	1	0	4	8	141
Florida	11	23	34	117	25	2	46	137	1	19	0	0	2	0	3	21	441
Georgia	5	8	54	152	2	1	7	13	1	4	0	0	0	0	3	14	264
Kentucky	0	1	4	11	0	1	1	5	0	1	0	0	0	1	0	2	27
Mississippi	0	1	10	44	2	1	3	2	1	1	0	0	1	0	0	1	67
North Carolina	2	0	16	43	3	0	4	4	0	9	0	0	3	1	1	8	94
South Carolina	0	1	9	35	3	0	1	3	1	1	0	0	0	0	0	1	55
Tennessee	1	2	10	52	2	0	3	3	2	7	0	0	0	1	1	5	89
Region IV Totals	24	40	154	502	45	5	71	176	18	61	0	0	7	3	12	60	1178

TABLE VI (continued)

Ethnicity and Gender by Region and State

(October 1, 2001 through September 30, 2002)

Region / State	Asian Pacific Americans		Black Americans		Caucasian Americans		Hispanic Americans		Native Americans		Native Hawaiian Americans		Other Americans		Subcontinent Asian Americans		Grand Totals
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
	Region V																
Illinois	4	15	44	77	2	1	16	22	0	3	0	0	0	1	5	24	214
Indiana	1	7	6	30	0	0	0	3	1	1	0	0	1	0	2	2	54
Michigan	0	5	19	55	1	2	4	11	1	6	0	0	0	0	1	11	116
Minnesota	1	5	2	12	2	0	1	1	2	11	0	0	0	0	1	6	44
Ohio	2	9	15	103	0	1	2	10	1	8	0	0	0	1	8	26	186
Wisconsin	2	2	5	18	3	0	6	9	4	6	0	0	0	0	1	4	60
Region V Totals	10	43	91	295	8	4	29	56	9	35	0	0	1	2	18	73	674
Region VI																	
Arkansas	0	1	5	34	2	0	0	3	0	4	0	0	2	1	0	0	52
Louisiana	0	5	19	70	2	1	4	11	3	6	0	0	0	1	0	3	125
New Mexico	4	2	0	3	0	0	18	91	7	18	0	0	0	0	0	1	144
Oklahoma	0	4	2	16	0	1	1	6	15	51	0	0	1	1	2	1	101
Texas	6	15	29	112	9	4	50	223	9	18	0	0	2	1	9	33	520
Region VI Totals	10	27	55	235	13	6	73	334	34	97	0	0	5	4	11	38	942
Region VII																	
Iowa	1	0	2	6	0	0	0	1	0	0	0	0	0	0	0	1	11
Kansas	4	2	5	22	1	1	2	4	2	4	0	0	0	1	2	5	55
Missouri	0	3	25	51	3	0	2	11	2	9	0	0	1	1	1	5	114
Nebraska	0	1	3	9	2	0	0	2	0	5	0	0	0	0	0	1	23
Region VII Totals	5	6	35	88	6	1	4	18	4	18	0	0	1	2	3	12	203
Region VIII																	
Colorado	8	17	12	41	10	0	17	75	5	13	0	1	10	2	3	8	222
Montana	0	1	0	2	1	0	0	6	6	17	0	0	0	2	0	0	35
North Dakota	0	0	0	0	0	0	0	0	1	25	0	0	0	0	0	0	26
South Dakota	0	0	0	1	0	1	2	4	2	13	0	0	0	0	0	0	23
Utah	1	15	1	7	5	0	6	20	0	5	0	1	2	0	1	2	66
Wyoming	0	0	0	0	1	0	1	4	4	4	0	0	0	0	0	0	14
Region VIII Totals	9	33	13	51	17	1	26	109	18	77	0	2	12	4	4	10	386

TABLE VI (continued)

Ethnicity and Gender by Region and State

(October 1, 2001 through September 30, 2002)

Region / State	Asian Pacific Americans		Black Americans		Caucasian Americans		Hispanic Americans		Native Americans		Native Hawaiian Americans		Other Americans		Subcontinent Asian Americans		Grand Totals
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
	Region IX																
Arizona	0	3	4	13	7	0	6	35	5	7	0	1	1	0	1	8	91
California	51	143	58	168	30	7	91	208	6	25	0	2	9	4	10	65	877
Guam	5	21	0	0	0	0	0	1	0	0	0	0	0	0	0	1	28
Hawaii	22	99	1	0	1	0	1	8	2	2	8	14	0	1	1	1	161
Nevada	0	2	1	13	4	0	2	12	1	3	1	0	0	0	0	2	41
Region IX Totals	78	268	64	194	42	7	100	264	14	37	9	17	10	5	12	77	1198
Region X																	
Alaska	1	12	1	8	4	1	2	6	6	118	0	1	1	2	0	1	164
Idaho	1	2	0	1	1	0	3	10	4	6	0	0	0	0	0	0	28
Oregon	2	6	2	6	2	0	3	24	4	8	0	0	0	0	1	0	58
Washington	1	11	4	28	4	1	5	25	2	23	0	0	0	1	0	4	109
Region X Totals	5	31	7	43	11	2	13	65	16	155	0	1	1	3	1	5	359
National Totals																	
	225	695	749	2232	196	35	450	1416	137	521	12	20	85	34	144	634	7585

TOTAL VALUE OF CONTRACTS AND OPTIONS PERFORMED DURING FISCAL YEAR 2002

15 U.S.C. 636(j)(16)(B)(v)

The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 637(a) of this title and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year, and (II) of firms in each of the nine years of program participation.

In FY 2002, firms reported total revenue of \$14.9 billion. The total estimated value of contracts and modifications awarded to active firms in Fiscal Year 2002 was \$4.4 billion. Active participants derived 29.4 percent of their total revenue from 8(a) contracts. It should be noted that the full contract or modification estimated award amounts might not be received during the fiscal year in which they are awarded. Also, the total estimated amount might not be achieved at all. Therefore, the firms' revenue figures may not reflect the total contract and modification award amounts. (See Table VII for contract and modification dollars expressed as a percentage of firms' total revenue in each of the nine years of program participation.)

Table VII

Contract and Modification Dollars Expressed as a Percentage of Firms' Total Revenue In Each of the Nine Years of Program Participation

Program Year	Number of Firms	Revenue Non-8(a)	Revenue 8(a)	8(a) as Percent of Total Revenue
1	1251	\$774,294,489	\$25,284,459	3.16%
2	1118	\$1,042,187,439	\$183,060,879	14.94%
3	1912	\$2,309,803,915	\$814,328,868	26.07%
4	532	\$905,100,830	\$455,957,323	33.50%
5	471	\$749,418,268	\$497,157,906	39.88%
6	478	\$1,113,968,906	\$599,081,450	34.97%
7	689	\$1,406,100,391	\$668,520,878	32.22%
8	759	\$1,772,277,444	\$871,933,056	32.98%
9	375	\$500,565,206	\$292,860,648	36.91%
Totals	7385	\$10,573,716,888	\$4,408,185,466	29.42%

VALUE OF CONTRACTS AND MODIFICATIONS BY NAICS CODE

15 U.S.C. 636(j)(16)(B)(vii)

The total dollar value of contracts and options awarded pursuant to section 8(a) of this title, at such dollar increments as the Administrator deems appropriate, for each four digit Standard Industrial Classification (SIC) Code⁵ under which such contracts and options were classified.

The total dollar value of contracts and modifications awarded under the 8(a) program during fiscal year 2002 was approximately \$5.4 billion this does not include small purchase orders. There were 28,813 total contract and modification actions for an average of \$187,298 per action. The United States Government contracted with 8(a) firms for goods and services in 350 different five digit North American Industry Classification System (NAICS) Codes. The major areas of contract activity by contract and modification dollars are listed below in Table VIII.

TABLE VIII

Industries Receiving the Largest Dollar Amounts

(October 1, 2001 through September 30, 2002)

NAICS Code	NAICS Code Description	Number of Actions	\$ Value of Actions
233320	Commercial and Institutional Building Construction	4834	\$ 924,243,000
541519	Other Computer Related Services	1685	\$ 396,220,000
541512	Computer Systems Design Services	1271	\$ 336,188,000
561210	Facilities Support Services	1348	\$ 260,529,000
541710	Research and Development in the Physical, Engineering, and Life Sciences	542	\$ 239,461,000
541330	Engineering Services	1138	\$ 209,415,000
541511	Custom Computer Programming Services	912	\$ 199,308,000
514210	Data Processing Services	705	\$ 152,772,000
541611	Administrative Management and General Management Consulting Services	763	\$ 152,276,000
561612	Security Guards and Patrol Services	572	\$ 151,423,000

⁵ Standard Industrial Classification (SIC) Codes were replaced by the North American Industry Classification System (NAICS) Codes October 1, 2000.

REQUESTED RESOURCES AND PROGRAM AUTHORITIES

15 U.S.C. 636(j)(16)(B)(vi)

A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 637(a) of this title.

At this time, no additional resources or program changes are being requested.